Forensic Accounting Skills and Techniques in Fraud Investigation in the Nigerian Public Sector

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Abstract

The research is designed to examine Forensic Accounting Skills and Techniques in fraud investigation in the Nigerian public sector. The population of this study comprised of 129 senior staff of the three Anti-Corruption Agencies in Nigeria (EFCC, ICPC, and CCB). The study methodology includes both primary and secondary sources of data collection; questionnaire was used in collecting primary data while secondary data were obtained from EFCC, ICPC and CCB. The data generated for this study were used for the testing of hypotheses using Analysis of variance (ANOVA) and time series analysis with the aid of SPSS version 17.0. Our findings show that, first, forensic accounting skills and techniques have significant effect on uncovering and reducing fraud in the Nigerian public sector. The research recommends that, first, anti-corruption agencies in Nigeria should establish forensic units and forensic laboratories to allow room for more effective and efficient investigation of suspected and confirmed fraud cases. Second, the public sector (government) should develop interest in forensic accounting by making sure that forensic accounting is institutionalized in all ministries, extra-ministerial departments and parastatals to build up effective internal control system that will enhance more effective performance in the Nigerian public sector.

Keywords: Forensic Accounting, Skills, Techniques, fraud investigation, public sector.

1. Introduction

Fraud is a severe problem of concern globally. It is a major concern in developing nations. It is so endemic that fraud are gradually becoming a normal way of life in both public and private sectors, from the presidential cabinets, down to the political officer, to the ward councilors, from managing directors of companies, through middle management cadre and to lower managers. Individuals perpetrate fraud according to the capacity of their offices. Although fraud affects the whole world, the magnitude of fraud in Nigeria and the extent to which the economy is affected is a call for alarm (Abiola, 2009).

Fraud has been associated with human organization from recorded history. The eradication of which has remained elusive in most parts of human society and civilization. It is an act of deception intended for personal gain or to cause a loss to another party. Seetharaman, Sentivelmurugan and Periyanagam (2004) observed that an analysis of the characteristics of perpetrators showed that the fraud influencing factors include age, gender, position education background and existence of motive for collusion. The growth of digital computer technology procreates fraud and generates additional risks of swindling and illicit activities.

There has been an increased concern about fraud in Nigeria and beyond. For instance the oil subsidy probes in Nigeria which reveals that between 2007 and 2009, the Nigerian National Petroleum Corporation (NNPC) over deducted funds in subsidy claim to the tune of N28.5 billion naira calls for concern (Oboh, 2012).

However, the Auditor-General of the Federation admitted some anomalies in the operations of Federal Inland Revenue Services (FIRS). According to him, the audit examination of the accounting records maintained for the Federation Account of FIRS revealed that the collecting banks were in the habit of late remittance of actual collection to the CBN thereby contravening the agreement between FIRS and collecting banks. Also, there was no documentary evidence to authenticate the payment of the penalties and interests amounted to N172, 655 million to the Federation account in 2009. The Auditor-General added that some money generated from over recovery was not remitted to the
In the case of Nigeria Custom Services (NCS), the report states “audit examination of the records maintained for the Federation Account as the NCS revealed discrepancies between the figures of revenue obtained from the customs, and the figures of revenue remitted to the federation account by NCS” (Orkura, 2009). The discrepancies arose from figures of nine months, which indicated that NCS remitted less than the revenue collected during the period to the government. While the figures for the three months March, October and November indicated that NCS remitted more than the revenues collected during the period to the Federation Account, which gave a total net difference of N11.122 billion, the report stated (Orkura, 2009).

The fraud cases mentioned above and some other corporate financial accounting scandals such as Enron, WorldCom, Global Crossing, Tyco, Cadbury and financial scams by some Nigerian Government officials as reported by Economic and Financial Crimes Commission (EFCC) have continued to increased concerns about fraud, wiped out billions of dollars of shareholders value and led to the erosion of investors’ confidence in financial markets and reduced public trust in government.

Fraud has had severe negative consequences on Nigeria, ranging from negative economic impact to negative national image (Ribadu, 2003). Looking at the recent frauds in Nigeria, in each case the perpetrators are the people at the helm of affairs, for example the aviation scam of N5.6 billion in 2009 was perpetrated by the then Minister of Aviation (Ojeme, 2010). The N2 billion Bayelsa State frauds in 2010 were perpetrated by the then Bayelsa state Commissioner of Finance, the state accountant general, the state’s Director of Treasury, and the Director of Finance (Ojeme, 2010). The Kogi State’s N1.9 billion scam was committed by commissioners for Local Government and Chieftaincy Matters and Agriculture respectively, and Local Government Chairman (Ojeme, 2010). The capital market fraud (share cloning) which started in 2002 was perpetrated by the executives of Bankolans investment limited and so on (Ojeme, 2010).

From 2009-2010, Nigeria lost N13.8 billion to various financial scams (Onyeje, 2009; EFCC media report, 2010 adopted from Oboh, 2012). What all these tend to expose is that there is a management or operational problem in the Nigeria public sector in the area of financial or accounting control. Thus, one needs not wonder much to see how devastatingly frauds have compromised the administrative competence, performance capacity and general credibility of the public sector. Initial estimates of major projects become little fractions of ultimate costs paid; original cash projections produce less than half of the benefits expected and projects which seemed technically feasible and economically viable, turned out “while elephant” if not abandoned, with serious implications for growth and development.

Literature reviewed that forensic accounting has helped to uncovered and reduced fraud in countries such as Britain, Canada, Germany and United State where it is in use but no research has been done in Nigerian public sector. It has become pertinent that the forensic accounting skills and techniques could help to investigate fraud occurrence since the external auditors do not or may not have the required training to be able to tackle modern frauds like white collar crimes such as security fraud, embezzlement, bankruptcy, contract disputes, and possible criminal financial transactions; including money laundering by organized criminals. It is against this background that this study seeks to examine the forensic accounting skills and techniques to see whether or not fraud can be uncovered and reduced in the public sector in Nigeria.

2. Research Questions

i. How do the Forensic Accounting Skills and Techniques help in uncovering fraud in the public sector?

ii. What is the influence of Forensic Accounting Skills and Techniques in reducing fraud in Nigerian public sector?

3. Objectives of the Study

The general objective of this study is to determine whether or not the forensic accounting skills and techniques can help in fraud investigation in the Nigerian public sector.

The specific objectives of this study are to:

i. Examine the use of Forensic Accounting Skills and Techniques in uncovering fraud in the Nigerian public sector

ii. Ascertain the influence of Forensic Accounting Skills and Techniques in reducing fraud in the Nigerian public sector
sector.

4. Statement of the Hypotheses

- \( H_01: \) Forensic Accounting Skills and Techniques have no significant effect on uncovering fraud in the Nigerian public sector.
- \( H_02: \) Forensic Accounting Skills and Techniques have no influence on reducing fraud in the Nigerian public sector.

5. Theoretical Framework

Experts over time have attempted to formulate theories that explain the mind set of fraudsters. Unless Forensic Accountants understand the way the fraudster thinks, they will not be able to keep one step ahead of the fraudster. The theory that will guide this study is the Theory of Fraud Diamond by Wolf and Hermanson (2004).

5.1 Theory of the Fraud Diamond

Wolf and Hermanson (2004) proffer the Theory of the Fraud Diamond, in place of the triangle. They argue that the diamond offers a better view of the factors leading to fraud. They add a fourth variable, capacity, to the three-factor theory of fraud triangle. Capabilities mean that, the fraud perpetrator must have the necessary traits, abilities, or positional authority to pull off his crime.

**Figure 1:** The Fraud Diamond

Theory of fraud Diamond offers a better view of the factors to fraud. The theory adds fourth variable, capabilities, to the three factor theory of fraud triangle. Wolf and Hermanson believed many frauds would not have occurred without the right person with the right capabilities implementing the details of the fraud. They also suggested four observation traits for committing fraud; First, authoritative position or function within the organization, Second capacity to understand and exploit accounting systems and internal control weakness, Third, confidence that he/she will not be detected or if caught he/she will get out of it easily, Fourth, capability to deal with the stress created within and otherwise good person when he or she commits bad acts.

Reviewing the literature shows that researchers classified the motive side of the fraud diamond differently. Some researchers classified them as personal, employment or external pressure, while other classified it as financial and non-financial pressure. However, it can be noticed that both classifications are interrelated. For instance, personal pressure can come from both financial and non-financial. A person’s financial pressure in this case could be gambling addiction or a sudden financial need, while a personal non-financial pressure can be lack of personal discipline or greed. By the same token, employment pressure and external pressure can come from either financial or non-financial pressure. Thus, Forensic Accountants have to keep in mind that pressure/motive to commit fraud can be either a personal pressure, employment pressure, or external pressure, and each of these types of pressure can also happen because of financial and non-financial pressure. Forensic Accountants also need to understand the opportunity for fraud to help them in identifying which fraud schemes an individual can commit and how fraud virus occurs when there is an ineffective or missing internal control.

However, it can be criticized that even though the fraud diamond added the fourth variable capability to the fraud triangle and filled the gap in other theories, the model alone is an inadequate tool for deterring, preventing or detecting fraud. This is because, the two sides of the fraud diamond (incentive/pressure and rationalization) cannot be observed,
and some important factors like national value system are ignored.

Our present National Value System is not good, little or no premium is put on things like honesty, integrity and good character. The society does not question the source of “wealth”. Any person who stumbles into wealth is instantly recognized and honoured. It is a fact of our time that fraud has its root firmly entrenched in the social setting where wealth is honoured without questions. Ours is a materialistic society which to a large extent encourages fraud. The desire to be with the high and mighty caliber of the society extreme want that is often characterized by need, cultural demands or cultivation of a life too expensive for the legitimate income of the individual. The research believes that, it is important for Forensic Accountants to consider all the fraud models to better understand why fraud occurs. Therefore all other fraud models should be regarded as an extension to wolf and Hermanson's fraud diamond and should be integrated in one model that include national value system. This should help them in effectively investigating and assessing fraud risk.

6. Conceptual Framework

Joshi (2003) sees forensic accounting as the applications of specialized knowledge and specific skills to stumble up on the evidence of economic transactions. Zysman (2004) puts forensic accounting as the integration of accounting, auditing and investigative skills. Simply put, forensic accounting is accounting that is suitable for legal review offering the highest level of assurance and including the now generally accepted connotation of having been arrived at in a scientific fashion (Crumbley, 2006). Coenen (2005) states that forensic accounting involves the application of accounting concepts and techniques. It demands reporting, where the accountability or the fraud is established and the report is considered as evidence in the court of law or in the administrative proceedings (Joshi, 2003). It provides an accounting analysis that is suitable to the court, which will form the basis of discussion, debate and ultimately dispute resolution (Zysman, 2004). This means that forensic accounting is a field of specialization that has to do with provision of information that is meant to be used as evidence especially for legal purposes. The persons practicing in this field (i.e. Forensic accountants) investigate and document financial fraud and white-collar crimes such as embezzlement and investigate allegations of fraud, estimates losses damages and assets and analyses complex financial transaction. They provide those services for corporation, attorneys, criminal investigators and the Government (Coenen, 2005). Their engagements are usually geared towards finding where money went, how it got there, and who was responsible. They are trained to look beyond the numbers and deal with the business reality of the situation (Zysman, 2004).

Previous studies indicate that auditors are able to identify Management Fraud Risk factors, but may not be able to translate this knowledge into an audit plan that effectively takes them into account and enhances chances of detecting Management Fraud if it exists. Forensic accountants may be able to compensate for such limitations. Academics and practitioners may be over-estimating what Forensic accountants can contribute to the effectiveness of an audit plan. They may be able to investigate a known fraud, but may not be able to design audit tests to detect a hypothesized fraud as well as auditors can.

Oliver (2004) is of the opinion that, because the complexity and scope of commerce has expanded throughout the world, the need to track money and financial information has grown. There has been a corresponding increase in illegal financial activity, according to separate surveys by the U.S department of Justice, Price Water House Coopers, and the Association of Certified Fraud Examiners (ACFE). Ironically, illegal businesses and perpetrators of financial crimes also need to keep track of their cash flow and manage their operational performance to generate profits, fund activities and avoid detection and seizure of their assets.

Forensic accounting also called investigative accounting or fraud audit is a merger of forensic science and accounting. Forensic science according to Crumbley (2003) "may be defined as application of the laws of nature to the laws of man." He refers to forensic scientists as examiners and interpreters of evidence and facts in legal cases that also requires expert opinions regarding their findings in court of law. The science in question here is accounting science, meaning that the examination and interpretation will be of economic information. Zysman, (2004) the forensic accountant's engagements are usually geared towards finding where money went, how it got there, and who was responsible. They are trained to look beyond the numbers and deal with business reality of the situation.

According to the Black's law Dictionary, (1979) fraud (sometimes referred to as fraudulent act) includes all the multifarious means human ingenuity can devise that are resorted to by one individual to get an advantage over another by false suggestions or suppression of the truth. It includes surprises, tricks, cunning or dissembling and any unfair way by which another is cheated. Dandago (1997), fraud is an intentional misrepresentation of financial information by one or more individuals among management, employees or third parties. It involves the use of criminal deception to obtain an unjust or illegal advantage. It is a deliberate cheating or deception intended to gain an undue advantage. Michael, (2004)
sees fraud as different from error, which refers to “unintentional misstatements or omissions of amount or disclosures from an entity’s accounting records or financial statements.”

7. Review of Empirical Studies

7.1 Modeling fraud detection and the relevance of forensic accountants in the audit process

Occupational Fraud has had a big impact on the audit and the destruction of its reputation. Koh and Woo (1998), argue that there is a widespread belief that a person who has interest in a company (Shareholders, potential investors, takeover bidders, creditors, etc) should be able to rely on its audited accounts as a guarantee of its solvency, propriety and business viability, hence, if it transpires, without any warning that the company is in serious financial difficulty, it is widely felt that somebody should be made accountable for these financial difficulty, it is widely felt that somebody should be made accountable for these financial disasters, and this somebody is always perceived to be the auditor. Even though the statements “is always perceived” can be understood as an overstatement, having in mind that fraud detection is management’s responsibility. Association of Certified Fraud Examiners (ACFE) states in its 2010 report to the nations on occupation fraud and abuse that medium losses coursed by the occupation fraud was $160.000, which is about a 5% loss of the typical organization annual revenue (ACFE, 2010), the public still expected that auditors will be the ones to detect fraud. Public expectation of the work required to be done by auditors and regulatory requirements for the audit activity (known as “expectation gap”) have changed over the years. Fraud detection was considered as the primary role in the audit until approximately 1940 and later on it changed to be an ordinary examination that was not designed to disclosure defalcations, which increased public dissatisfaction with the audit activity. To narrow the “expectation gap”, the American Institute of Certified public Accountant (AICPA) issued series of Statement of Auditing Standard (SAS). Growing concern and expectations from the public culminated in the advent of the Sarbanes – Oxley of 2002 and the adoption of the SAS No. 99 (as the response to the SAS No. 99 in 2004). International Federation of Accountants (IFAC) revised International Standard on Auditing (ISA) No. 240, (Singleton et al., 2006). Since those documents were put into force more attentions has been paid to the issue of auditors detecting fraud, and more technical guidance has been presented to them. Nevertheless, new standards and requirements have reduced but not eliminated the “expectation gap”. Hence, it is still important to research the possibility to improve fraud investigation and detection in the audit process through the forensic accounting skills and techniques.

8. Research Design

The research design for this study was based on non-experimental descriptive/survey design of collecting and analyzing data. Survey design was adopted in the study because it allows data to be collected from a sample with the aim of discovering the relationship or interactions among variables (Adefila, 2008, Izedonmi, 2005). Both primary and secondary sources of data were used. The targeted populations of this study were the senior staff of Economic and Financial Crimes Commission (EFCC), Independence Corrupt Practices and other related offences Commission (ICPC) and Code of Conduct Bureau (CCB). The elements of the population considered in this research were the staff of Finance and Accounts units, audit unit, legal and prosecution unit, general investigative unit, financial intelligence unit and forensic unit. The senior staff of these units constituted the population for the study. The total population of the senior staff for the three agencies is one hundred and ninety (190). The study considered all the staff that falls within the above categories in these agencies qualified as members of the population because of their good knowledge and understanding of the application of forensic services in the agencies.

<table>
<thead>
<tr>
<th>S/No</th>
<th>Units</th>
<th>EFCC</th>
<th>ICPC</th>
<th>CCB</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Finance and Accounts</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>45</td>
</tr>
<tr>
<td>2</td>
<td>Audit</td>
<td>15</td>
<td>15</td>
<td>11</td>
<td>41</td>
</tr>
<tr>
<td>3</td>
<td>Legal and Prosecution</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>30</td>
</tr>
<tr>
<td>4</td>
<td>General Investigation</td>
<td>10</td>
<td>10</td>
<td>07</td>
<td>27</td>
</tr>
<tr>
<td>5</td>
<td>Financial Intelligence</td>
<td>10</td>
<td>10</td>
<td>07</td>
<td>27</td>
</tr>
<tr>
<td>6</td>
<td>Forensic</td>
<td>10</td>
<td>05</td>
<td>05</td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>70</td>
<td>65</td>
<td>55</td>
<td>190</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2012
9. Sample Size and Sampling Technique

In determining the sample size, we used Yamane (1968) formula to select our sample from the population. The formula is given thus by Adefila (2008):

\[ n = \frac{N}{1 + N(e)^2} \]

Where:
- \( n \) = Sample Size
- \( N \) = Total population (190)
- 1 = Constant
- \( e \) = Allowable margin to error. In this case, we consider 5\% (0.05) error margin adequate

\[ (e)^2 = (0.05)^2 = 0.0025 \]

\[ \frac{1}{N} + \frac{1}{190(0.0025)} = 129 \]

The sample size \( n = 129 \)

After selecting the sample, we stratified this proportionately to the agencies depending on the proportion of the entire population that comes from each of the units in the agencies using Kurnar (1976) proportional allocation formula as cited by Adefila (2008), thus:

\[ n = \frac{n(NH)}{N} \]

Where:
- \( NH \) = Population of the stratum
- \( n \) = The overall sample size
- \( N \) = The overall population

<table>
<thead>
<tr>
<th>S/No</th>
<th>Units</th>
<th>EFCC</th>
<th>ICPC</th>
<th>CCB</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of Staff Administered</td>
<td>No. of Staff Administered</td>
<td>No. of Staff Administered</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Finance and Accounts</td>
<td>15</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>2</td>
<td>Audit</td>
<td>15</td>
<td>15</td>
<td>11</td>
</tr>
<tr>
<td>3</td>
<td>Legal and Prosecution</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>4</td>
<td>General Investigation</td>
<td>10</td>
<td>10</td>
<td>07</td>
</tr>
<tr>
<td>5</td>
<td>Financial Intelligence</td>
<td>10</td>
<td>10</td>
<td>07</td>
</tr>
<tr>
<td>6</td>
<td>Forensic</td>
<td>10</td>
<td>05</td>
<td>05</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>70</td>
<td>65</td>
<td>44</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2012

From table 3.2 above, we have a total of 48 staff from EFCC, 44 staff from ICPC, and 37 staff from CCB has filled the questionnaire.

10. Method of Data Analysis

Data from the questionnaire administered were used in testing the hypotheses of the study using Analysis of Variance (ANOVA), and Time Series Analysis with the aid of SPSS version 17.0.
11. Results and Discussion

11.1 Test of Hypothesis One

H$_{01}$: Forensic Accounting Skills and Techniques have no significant effect on uncovering fraud in the Nigerian public sector.

Table 3a: Observed Frequency Table

<table>
<thead>
<tr>
<th>Variables</th>
<th>Question 9</th>
<th>Question 16</th>
<th>Question 18</th>
<th>Question 19</th>
<th>Question 20</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>S.A</td>
<td>72</td>
<td>48</td>
<td>30</td>
<td>40</td>
<td>43</td>
<td>233</td>
</tr>
<tr>
<td>A</td>
<td>35</td>
<td>69</td>
<td>77</td>
<td>69</td>
<td>69</td>
<td>319</td>
</tr>
<tr>
<td>S.D</td>
<td>13</td>
<td>-</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>31</td>
</tr>
<tr>
<td>D</td>
<td>-</td>
<td>3</td>
<td>8</td>
<td>3</td>
<td>3</td>
<td>17</td>
</tr>
<tr>
<td>TOTAL</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>600</td>
</tr>
</tbody>
</table>

Source: Adopted from questionnaire, (2013)

11.1.1 Analysis of Variance (ANOVA)

Table 3b: Descriptive Sample

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error</th>
<th>95% Confidence Interval for Mean</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>strongly agree</td>
<td>5</td>
<td>46.60</td>
<td>15.646</td>
<td>6.997</td>
<td>27.17</td>
<td>30</td>
<td>72</td>
</tr>
<tr>
<td>Agree</td>
<td>5</td>
<td>63.80</td>
<td>16.468</td>
<td>7.365</td>
<td>43.35</td>
<td>35</td>
<td>77</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>5</td>
<td>6.20</td>
<td>4.764</td>
<td>2.131</td>
<td>.28</td>
<td>0</td>
<td>13</td>
</tr>
<tr>
<td>Disagree</td>
<td>5</td>
<td>3.40</td>
<td>2.881</td>
<td>1.288</td>
<td>-1.8</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>30.00</td>
<td>28.698</td>
<td>6.417</td>
<td>16.57</td>
<td>0</td>
<td>77</td>
</tr>
</tbody>
</table>

Source: SPSS Version 17.0

Table 3c: ANOVA

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>13460.000</td>
<td>3</td>
<td>4486.667</td>
<td>32.809</td>
<td>.000</td>
</tr>
<tr>
<td>Within Groups</td>
<td>2188.000</td>
<td>16</td>
<td>136.750</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>15648.000</td>
<td>19</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: SPSS Version 17.0

The result of data analysis in table 3b and 3c reveals that the mean is statistical significant at 5% level of significance. The F (3, 16) = 32.809 is greater than the F(tab) = 3.24, therefore the estimated parameters are statistically significant. This means that the Null Hypothesis is rejected while accepting the alternate hypothesis because the F (3, 16) = 32.809 is greater than the F(tab) = 3.24. We therefore concluded that Forensic Accounting Skills and Techniques have significant effect in uncovering fraud in the Nigerian public sector.

11.2 Test of Hypothesis II

H$_{02}$: Forensic Accounting Skills and Techniques have no influence on reducing fraud in the Nigerian public sector.
Table 4a: Created Series (showing case number of Non-missing values)

<table>
<thead>
<tr>
<th>Series Name</th>
<th>First</th>
<th>Last</th>
<th>N of Valid Cases</th>
<th>Creating Function</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fraund_1</td>
<td>2</td>
<td>10</td>
<td>9</td>
<td>Diff(Frauds,1)</td>
</tr>
</tbody>
</table>

Source: Spss Version 17.0

Table 4b: Time Series Analysis Table.

<table>
<thead>
<tr>
<th>S/no</th>
<th>Years</th>
<th>Frauds</th>
<th>Frauds_1</th>
<th>Si</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2002</td>
<td>37473295.00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>2003</td>
<td>77869567.98</td>
<td>403963262.98</td>
<td>403963262.98</td>
</tr>
<tr>
<td>3</td>
<td>2004</td>
<td>44316186.07</td>
<td>-734379471.91</td>
<td>-734379471.91</td>
</tr>
<tr>
<td>4</td>
<td>2005</td>
<td>41201500.00</td>
<td>-3114686.07</td>
<td>-3114686.07</td>
</tr>
<tr>
<td>5</td>
<td>2006</td>
<td>25583745.00</td>
<td>-15617755.00</td>
<td>-15617755.00</td>
</tr>
<tr>
<td>6</td>
<td>2007</td>
<td>20320940.00</td>
<td>-5262805.00</td>
<td>-5262805.00</td>
</tr>
<tr>
<td>7</td>
<td>2008</td>
<td>653981.98</td>
<td>-13781138.02</td>
<td>-13781138.02</td>
</tr>
<tr>
<td>8</td>
<td>2009</td>
<td>3254438.86</td>
<td>-3285363.12</td>
<td>-3285363.12</td>
</tr>
<tr>
<td>9</td>
<td>2010</td>
<td>1379758.47</td>
<td>-1874680.39</td>
<td>-1874680.39</td>
</tr>
<tr>
<td>10</td>
<td>2011</td>
<td>1084400.00</td>
<td>-295358.47</td>
<td>-295358.47</td>
</tr>
</tbody>
</table>

Source: SPSS Version 17.0

The above table shows a downwards movement over the period, apart from year 2002 and 2003 where there was an upward movement in fraud cases with a difference of N403963262.98. The difference occurred when the Anti-Corruption Agencies were not seriously applying Forensic Accounting Skills and Techniques in their fraud investigation. After 2003, there was a consistent downward movement up to 2011. However, the downward movement became more from 2009 to 2011 when Forensic Accounting was fully in place by Anti-Corruption Agencies particularly EFCC and ICPC. Also the negative sign on the movement indicated that fraud has been reduced over time. The implication here is that the uses of Forensic Accounting Skills and Techniques have helped Anti-Corruption Agencies in reducing fraud in the Nigerian public sector.

From the above result the null hypothesis has been rejected while accepting the alternate hypothesis. We therefore concluded that Forensic Accounting Skills and Techniques have influence on reducing fraud in the Nigerian public sector.

12. Discussion of Results

The findings from the test of hypothesis one revealed that, forensic accounting skills and techniques have significant effect on uncovering fraud in the Nigerian public sector. This is in line with the view of Abiola (2009) who stated that the involvement of forensic accounting has raised the hope of uncovering fraud globally. He attested that forensic accounting has helped to uncovering fraud and corruption in countries such as Britain, Canada, Germany and United States where it is in use.

The findings from the test of hypothesis two revealed that, forensic accounting skills and techniques have influence on reducing fraud in the Nigerian public sector. This is supported by the view of Abiola (2009) who state that the involvement of Forensic Accounting Skills and Techniques in fraud investigation has raised the hope of reducing fraud globally. He attested to the fact that Forensic Accounting has reduced fraud and corruption to the bearest minimum in developed countries using their service.

13. Conclusion

The study analyzed why attention has to be given to the question of fraud investigation in the public sector of Nigeria by Anti-Corruption Agencies with the aid of Forensic Accountants. It should be emphasized that whether within the business world or in the public sector, the ultimate responsibility for investigating fraud cases rests with Anti-Corruption Agencies.
while discouraging and preventing fraud and corrupt practices rest with the government and management.

Above all, result of the study revealed forensic accounting skills and techniques have significant effect on uncovering fraud in the Nigerian public sector and forensic accounting skills and techniques has influence on reducing fraud in the Nigerian public sector.

We conclude as follows;
Forensic accounting practice is neither new to the developed nor is it in developing nations. That fraud in the Nigerian public sector is alarming and is not only crumbling the economy but also affecting innocent nation standard of living and image. That the Applications of Forensic Accounting Skills and Techniques have contributed greatly to Anti-Corruption Agencies in Nigeria in the investigation of complex fraud cases particularly EFCC and ICPC as more money has so far been recovered.

14. Recommendations

Consequent upon several revelations from the research conducted, there is need to make some recommendations, as follow:

i. Information technology: As fraud is becoming more sophisticated on daily basis and need sophisticated tools to uncover, forensic accountants, the public sector and Anti-corruption Agencies should take advantage of the modern accounting and auditing soft wares to enhance efficiency and smooth operation of the tasks of detection prevention and recovering through the application of relevant information technology. To further enhance the performance of forensic accountants on the performance of the public sector, the code of conducts should be put in place and properly monitored. The institute of chartered accountings of Nigeria (ICAN) and the Association of National Accountants of Nigeria (ANAN). Should encourage formalization and specialization in the field of forensic accounting in their curricula and the academia should emphasize skills development in the field of forensic accounting through teaching and research in the area of forensic accounting at BSC, MSC, PhD, HND and ND levels.

ii. Government should establish a Public Recovery Fund (PRF) where money recovered through forensic accounting should be kept and this money should be properly used to enhance efficient and effective performance in the public sector. Training and guidance are vital in maintaining the effectiveness of the strategy for the detection, prevention and investigation of fraud and its general credibility. The government needs to support induction and work related training, particularly for employees involved in internal control system, accounting units and those in investigative units of all Anti-Corruption Agencies, to ensure their responsibilities and duties are regularly highlighted and reinforced and that best practices are followed across the nation services. Significant forensic accounting or any Anti-Fraud strategy can only work if heads of departments and senior managers or staff are committed to it. The Anti-Corruption Agencies like the EFCC, ICPC and CCB should ensure they have their technical, investigative and accounting staff trained in the field of Forensic Accounting and the public sector (government) should develop interest in Forensic Accounting by making sure that Forensic accounting is institutionalize in all ministries departments and parastatals to build up effective internal control system that will enhance more effective performance in the public sector in Nigeria. Adequate structures and mechanism such as Forensic laboratories must be improved open in all Anti-Corruption Agencies in Nigeria.

References